

AMENDED
APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Nº 52347

Date of filing in State Engineer's Office..... JUL 26 1988
Returned to applicant for correction..... SEP 12 1988
Corrected application filed..... NOV 02 1988
Map filed..... NOV 02 1988

The applicant..... Saga Exploration Company
P.O. Box 6479..... of Reno,
Street and No. or P.O. Box No. City or Town
Nevada 89513
State and Zip Code No. hereby make application for permission to appropriate the public
waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a
copartnership or association, give names of members.) 1974, Winnemucca, Nevada

1. The source of the proposed appropriation is..... underground
Name of stream, lake, spring, underground or other source
2. The amount of water applied for is..... 1.0 c.f.s.second-feet
One second-foot equals 448.83 gals. per min.
(a) If stored in reservoir give number of acre-feet.....
3. The water to be used for..... mining, milling and domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.
4. If use is for:
(a) Irrigation, state number of acres to be irrigated.....
(b) Stockwater, state number and kinds of animals to be watered.....
(c) Other use (describe fully under "No. 12. Remarks")..... mining, milling and domestic
(d) Power:
(1) Horsepower developed.....
(2) Point of return of water to stream.....
5. The water is to be diverted from its source at the following point..... within the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35,
Describe as being within a 40-acre subdivision of public
T.12S., R.48E., M.D.B.&M. (unsurveyed) or at a point from which the S $\frac{1}{4}$ corner
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
of Section 33, T.12S., R.48E., M.D.B.&M. bears S 88°12'W 9545'
6. Place of use..... Section 32, T.12S., R.48E., M.D.B.&M. (unsurveyed)
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
7. Use will begin about..... January 1st and end about..... December 31st of each year.
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and
specifications of your diversion or storage works.)..... drilled well and pipeline to the place
State manner in which water is to be diverted, i.e. diversion structure, ditches and
of use
flumes, drilled well with pump and motor, etc.
9. Estimated cost of works..... in excess of \$10,000

10. Estimated time required to construct works 3 years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water is to be used for a mining and milling operation with an annual

consumptive use of approximately 140 million gallons.

/s/ John H. Milton III

By John H. Milton III, agent
146 West Second Str.
Winnemucca, NV. 89445

Compared kh/pm cl/cms

Protested 1/10/89 by Owen R. Williams

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance issued under the provisions of NRS 533.371 for a finite period of time. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. The State retains the right to regulate the use of the water herein granted at any and all times.

The State Engineer requires that a monthly record shall be kept of: (1) the volume of water pumped from each well, and (2) the volume of water consumptively used for mining and milling purposes, projectwide. This record will be submitted to the State Engineer on a quarterly basis within fifteen days after the end of each calendar quarter. The permittee shall submit copies of this report to the Superintendent, Death Valley National Park.

The total consumptive duty under Permit 52347 and any subsequent changes is initially limited to 50 million gallons annually during operation of the mine. This annual consumptive duty may be raised to a maximum of 90 million gallons annually
 (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed the amount set forth in the conditions of the permit.

Work must be prosecuted with reasonable diligence and be completed on or before October 2, 2002

Proof of completion of work shall be filed on or before November 2, 2002

Application of water to beneficial use shall be made on or before December 31, 2008

Proof of the application of water to beneficial use shall be filed on or before Permit Expires December 31, 2008

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my

Proof of beneficial use filed

office, this 2nd day of October

Cultural map filed

A.D. 19 97

Certificate No. Issued

State Engineer
 CANCELLED JAN 8 8 2003 BECAUSE OF FAILURE
 OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT
STATE ENGINEER

(PERMIT TERMS CONTINUED)

during reclamation upon the filing of reclamation justification information, subject to approval by the State Engineer; however, the amount must not exceed that actually needed for reclamation.

Upon permanent cessation of all mining, milling and reclamation uses, all water granted under this permit, and any subsequent changes, will revert back to the source from which it was appropriated, except for any mine closure plan requirements and/or to mitigate any adverse impacts, subject to approval by the State Engineer.

Upon the termination of mining or reclamation activities, but not later than December 31, 2008, this permit shall expire. However, the State Engineer, for good cause shown and upon agreement between the permittee and the National Park Service, may extend this permit for a period not to exceed five (5) years from December 31, 2008. Upon expiration of this permit all rights herein will revert back to the source.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

